

NCA
VOC FOR IOP/FN
BACKGROUND NO. 5-5764
WAYNE COREY/BANGKOK

APRIL 26, 1978

ASIAN REGIONAL ARBITRATION CENTER

ANNCR:

ASIAN COUNTRIES WILL SOON BE ABLE TO SUBMIT THEIR COMMERCIAL DISPUTES TO A REGIONAL ARBITRATION CENTER IN THE MALAYSIAN CAPITAL, KUALA LUMPUR. WAYNE COREY HAS THIS BACKGROUND REPORT FROM OUR SOUTHEAST ASIAN BUREAU.

VOICE:

THE CENTER WAS OFFICIALLY OPENED IN KUALA LUMPUR ON APRIL FIRST. BUT IT'S STILL IN THE PROCESS OF GETTING ORGANIZED, AND NO COMMERCIAL DISPUTE HAS BEEN SUBMITTED TO THE CENTER SO FAR. THE CENTER'S PURPOSE IS TO PROMOTE ARBITRATION AS A WAY TO SETTLE COMMERCIAL DISPUTES AND TO COORDINATE THE ACTIVITIES OF OTHER INSTITUTIONS, INCLUDING CHAMBERS OF COMMERCE, THAT MAY ASSIST IN ARBITRATION.

THERE HAS BEEN A SIGNIFICANT INCREASE IN INTERNATIONAL COMMERCIAL DISPUTES OVER THE PAST TWENTY YEARS, BUT THERE HAVE BEEN NO STANDARDIZED RULES FOR ARBITRATION AND ALSO NO REGIONAL FACILITIES. THE KUALA LUMPUR CENTER WILL TRY TO PROMOTE THE STANDARDIZATION OF THESE RULES.

MALAYSIA'S REGIONAL ARBITRATION CENTER WAS ESTABLISHED UNDER THE AUSPICES OF THE ASIAN AFRICAN LEGAL CONSULTATIVE COMMITTEE. MALAYSIAN OFFICIALS SAY THIS COMMITTEE HOPES TO ESTABLISH A SIMILAR OPERATION IN CAIRO FOR USE BY AFRICAN COUNTRIES.

THE PLAN TO ESTABLISH REGIONAL COMMERCIAL ARBITRATION CENTERS IS THE FIRST OF ITS KIND. IT'S BASED ON THE HOPE THAT THESE CENTERS, IN WHICH ARBITRATION COULD TAKE PLACE IN AN IMPARTIAL SETTING THOROUGHLY FAMILIAR TO THE PARTIES CONCERNED, MIGHT

FACILITATE SETTLEMENTS. MALAYSIAN OFFICIALS SAY THREE ARBITRATORS WILL BE AVAILABLE AT THE KUALA LUMPUR CENTER--ONE OF THEM MALAYSIAN. THE OTHERS WILL BE CHOSEN AFTER A COMMERCIAL DISPUTE IS SUBMITTED FOR ARBITRATION. THE RESULTS OF ARBITRATION WILL, OF COURSE, NOT BE BINDING, INASMUCH AS THERE WILL BE NO MACHINERY FOR ENFORCING ANY DECISIONS. BUT IT'S HOPE THAT GOOD WILL AMONG COUNTRIES OF THE REGION, SUCH AS THAT WHICH EXISTS AMONG THE MEMBERS OF THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS, WILL PROVIDE AN INCENTIVE FOR COMMERCIAL DISPUTES TO BE RESOLVED FAIRLY AND QUICKLY.

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